BEFORE THE IDAHO PUBLIC UTILITIES COMMISSION

IN THE MATTER OF THE APPLICATION OF AVISTA CORPORATION FOR AUTHORITY TO INCREASE ITS RATES AND CHARGES FOR ELECTRIC AND NATURAL GAS SERVICE TO ELECTRIC AND NATURAL GAS CUSTOMERS IN THE STATE OF IDAHO.

CASE NOS. AVU-E-04-1 AVU-G-04-1

NOTICE OF VACATED PRE-HEARING CONFERENCE

On February 6, 2004, Avista Corporation dba Avista Utilities (Avista; Company) filed an Application with the Idaho Public Utilities Commission (Commission) for authority to increase the Company's general rates for electric and natural gas service by averages of 24.1% and 9.2%, respectively. If approved, Company revenues for electric base retail rates would increase by \$35.2 million annually; Company revenues for natural gas service would increase by \$4.7 million annually. A proposed reduction in the Company's current Power Cost Adjustment (PCA) surcharge rate is also requested. The net amount of actual increase varies by class of customer and usage.

The Commission is informed that Avista, Commission Staff and the intervening parties, Potlatch Corporation and Couer Silver Valley, Inc. have agreed to proposed scheduling in this case. The Commission has reviewed the proposed scheduling and found it acceptable. There being no additional issues the parties wish to present, it was agreed by the parties that the March 16, 2004, pre-hearing conference should be vacated.

In consideration of the foregoing YOU ARE HEREBY NOTIFIED that pursuant to agreement of the parties and the Commission, the pre-hearing conference in Case No. AVU-E-04-1 and AVU-G-04-1 previously scheduled for March 16, 2004, is vacated. A Notice of Scheduling and a Notice of Parties will be issued forthwith.

DATED at Boise, Idaho this /4th day of March 2004.

PAUL KJELIANDER, PRESIDENT

MARSHA H. SMITH, COMMISSIONER

DENNIS S. HANSEN, COMMISSIONER

Jean D. Jewel

Commission Secretary

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